



Statements & Letters of Support for
The American Health Care Act

From

INDUSTRY GROUPS

**CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA**

NEIL L. BRADLEY
SENIOR VICE PRESIDENT &
CHIEF POLICY OFFICER
GOVERNMENT AFFAIRS

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

March 7, 2017

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Walden and Brady and Ranking Members Pallone and Neal:

The U.S. Chamber of Commerce supports the 2017 House Reconciliation Legislative Recommendations. Critically important provisions in the Recommendations repeal a substantial number of the most harmful provisions in the Affordable Care Act: the health insurance tax, the medical device tax, and the tax on prescription medications; restrictions on the use and limitations on contributions to health savings accounts and flexible spending accounts; and the penalties associated with the employer mandate.

Just as importantly, the Recommendations preserve the longstanding tax treatment of employer sponsored coverage through which 177 million individuals receive their health care coverage. The Chamber is also pleased that the House is proposing to delay the 40 percent Cadillac tax, and we look forward to working with Congress to eventually repeal the tax completely.

These Recommendations and the successful mark-up of the provisions in the Ways and Means and Energy and Commerce Committees tomorrow are absolutely critical in taking steps to restore choice, flexibility and innovation to the nation's health care markets. The Chamber

looks forward to working with the House and Senate to refine and advance these and other important reform proposals.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley", with a stylized flourish at the end.

Neil L. Bradley

cc: Members of the Committee on Energy and Commerce
Members of the Committee on Ways and Means



Robyn Boerstling

Vice President

Infrastructure, Innovation and Human Resources Policy

March 13, 2017

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing 14,000 manufacturers in every industrial sector and in all 50 states, I am writing to express support for key provisions of H. Res. 154, The Budget Reconciliation Legislative Recommendations to Repeal and Replace Obamacare.

Manufacturers strongly support the repeal of the Patient Protection and Affordable Care Act (ACA) signed into law in 2010. The ACA has made it more difficult and costly to provide health care to employees. In a recent NAM survey, nearly one-third of respondents reported premium increases of at least 10 percent annually. Additionally, manufacturers consistently rank rising health care premiums as a top primary business challenge according to the past several NAM Outlook Surveys conducted each quarter.

Manufacturers strongly support reducing the burden of the employer mandate and repeal of the medical device tax, the 3.8 percent net investment tax, the health insurance tax and the innovation tax. Although the Cadillac tax is delayed until 2025, manufacturers are hopeful that this onerous tax can be fully repealed as the legislative process proceeds. In addition, we are pleased that the package did not modify the tax treatment for employer-sponsored health care. These critical changes will help employers contain rising health care costs and provide much-needed predictability so that manufacturers can continue providing quality health care to employees.

Manufacturers historically have led the business community in offering health benefits to their employees and are committed to continuing this tradition in the future. The reconciliation package takes a significant step towards reducing excessive taxes to ensure that manufacturers can continue to provide these benefits.

The NAM believes legislative actions taken last week are a strong first step towards reforming a broken health care system. It is important that Congress continue this momentum to chart a new course and unlock the stranglehold of the ACA on manufacturers.

Sincerely,

A handwritten signature in blue ink that reads 'Robyn M. Boerstling'.

Robyn M. Boerstling

Leading Innovation. Creating Opportunity. Pursuing Progress.



March 13, 2017

Dear Representative:

To get the small business economy moving again, Congress must focus on two key obstacles currently holding back small business economic growth – repealing and replacing Obamacare and reforming the tax code to provide small business rate parity. The House of Representatives can take a significant first step toward removing these obstacles by passing the *American Health Care Act* and ending the Obamacare taxes and mandate penalties on small business.

NFIB's monthly Small Business Economic Trends survey has shown huge increases in optimism for the small business economy since the November elections. The reading has been at its highest level since before the recession, but those readings currently represent hope and optimism, not real growth and hiring. To translate the optimism of small business owners into growth and job creation, Congress must end the stifling taxes and mandate penalties of Obamacare. It is important to understand that repealing Obamacare's taxes must go hand-in-hand with tax reform, specifically parity in tax rates for small businesses versus large corporations.

The *American Health Care Act* is a necessary step to providing important health care relief for small business. While the bill does not sufficiently address all the reforms that must occur, we fully understand that many small business health care priorities must wait until after the reconciliation process is complete. NFIB looks forward to working with Congress and the Administration to provide more health insurance choices and reducing health insurance costs for small businesses. It is imperative that Congress first pass the *American Health Care Act*.

Small business has long supported repealing and replacing Obamacare. NFIB opposed the bill when it passed, and challenged the law's constitutionality before the Supreme Court in *NFIB v. Sebelius*. Small businesses want an economic environment where they can grow and hire again, and that process must start with ending the Obamacare taxes and mandate penalties. **Passage of the *American Health Care Act* will be considered an NFIB Key Vote for the 115th Congress.**

Sincerely,

A handwritten signature in black ink that reads "Juanita D. Duggan". The signature is fluid and cursive, with a long horizontal line extending from the end.

Juanita D. Duggan
President & CEO
NFIB



Joseph R. Swedish

Chairman, President and Chief Executive Officer

Tel: (317) 488-6374

Email: joseph.swedish@anthem.com

Anthem, Inc.
120 Monument Circle
Indianapolis, IN 46204

March 9, 2017

The Honorable Greg Walden
Chairman
Energy and Commerce Committee
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Chairman
Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Walden and Brady,

Much has been said and written – both positive and negative – about the Affordable Care Act (ACA) over the years. As the CEO of a health insurance company that serves over one million members in the Individual market across fourteen states and partners with twenty states to serve over six and one-half million Medicaid beneficiaries, I know the challenges we face now and those ahead.

Anthem has served consumers in the Individual market for more than seven decades; when the exchanges went live, we were there to serve our customers and we are still there today. While we have performed better than many of our competitors, it is increasingly difficult to remain in the exchange market under its current structure. As it stands today, Anthem is the only health insurance company offering health plans to consumers on the ACA exchanges in roughly a third of the counties we serve in the fourteen states in which we operate in the commercial market, and in most instances in rural areas of the country.

As I have said publicly, without significant regulatory and statutory changes to the Individual market, we will begin to “surgically extract” Anthem from that market beginning in 2018. Currently, we are in the process of formulating our rates and making decisions on market participation for the Individual market in our fourteen states for 2018. Some states require us to file 2018 rates and products beginning in mid-April, so the work you are doing is crucial if it is to impact our 2018 decisions and the health care options for millions of Americans.

The time to act is now. The American Health Care Act addresses the challenges immediately facing the Individual market and will ensure more affordable health plan choices for consumers in the short term,

including through the expanded use of health savings accounts (HSAs). Among the provisions in the American Health Care Act that will help achieve these objectives and are critically important:

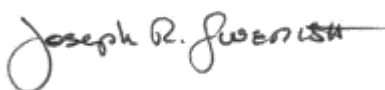
- Establishment of the Patient and State Stability Fund;
- Repeal of the ACA's Health Insurance Tax;
- Continuation of the Cost Sharing Reduction (CSR) subsidies; and,
- Allowing the use of tax credits for "off exchange" health plans

These provisions are essential and must be finalized quickly to have the intended impact on products and prices to benefit consumers. We have discussed other reforms needed that may not be available under a reconciliation package, including the necessary appropriation of funds for CSRs in 2018 and 2019. Without these changes, the market will continue to deteriorate in 2018 and therefore I am writing to offer my support for moving this process forward as quickly as possible.

Anthem is committed to working with federal and state policy makers and regulators, as well as consumers, to provide ideas and data to support the policymaking process. In this vein, we will work swiftly to make recommendations to further help secure affordable coverage for all who need it. We are thoroughly reviewing and evaluating the legislation further to better understand the changes to both the Individual market and the Medicaid program. In particular, we will be seeking to ensure continuation of comprehensive Medicaid benefits, including Medicaid home and community-based services, beyond acute care to all who need them, most notably people with disabilities, older adults, and children and families who depend upon them. Based on our extensive experience serving Medicaid members – both traditional and expansion – it will be of vital importance to ensure spending projections are accurate.

We are confident that working together we can find both legislative and regulatory solutions to create a sustainable path forward for our entire health care system for all Americans.

Sincerely,

A handwritten signature in dark ink, reading "Joseph R. Swedish". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joseph R. Swedish
Chairman, President and Chief Executive Officer
Anthem, Inc.



March 14, 2017

The Honorable Diane Black
Chairwoman
United States House of Representatives
207 Cannon House Office Building
Washington, D.C. 20515

The Honorable John Yarmuth
Ranking Member
United States House of Representatives
134 Cannon House Office Building
Washington, D.C. 20515

Dear Chairwoman Black and Ranking Member Yarmuth:

On behalf of the members of the National Restaurant Association, we write to you in support of the recently introduced legislation entitled the American Health Care Act. This legislation is the first step to reforming the employer mandate and lessening the burden employers have faced in complying with the Affordable Care Act (ACA).

Restaurants employ nearly ten percent of the nation's workforce, or approximately 14.7 million Americans. With one million locations across the country, the \$798.7 billion in sales from the restaurant industry makes up four percent of the US GDP. Restaurant jobs provide opportunities for promotion. Nine of ten salaried restaurant employees started in hourly positions. The typical hourly restaurant employee who starts out at an entry-level wage receives a pay raise after six months. Restaurants are a training ground for the American workforce. One-in-three Americans got their first job in the restaurant industry, and one-half of all Americans have worked in the restaurant industry at some point in their lives.

The National Restaurant Association is the leading voice for American restaurateurs on common sense reforms to the current health care law. Restaurant operators who can provide health insurance benefits to their employees often find these benefits to be critical tools in recruiting and retaining employees. However, since the enactment of the ACA and the law's employer mandate, restaurants have spent hundreds of additional administrative hours managing and delivering these benefits. The added time, money and resources have not improved the quality of health insurance restaurants offer their employees. Alarming, the ACA requirements have often discouraged restaurants from expanding and limited the degree to which they can hire additional employees.

Since the enactment of the ACA, employment-based health insurance is becoming a shrinking proportion of restaurant employee health insurance coverage. A record 76 percent of restaurant employees had health insurance coverage in 2015, according to data from the U.S. Census Bureau's American Community Survey (ACS). These numbers are up from 59 percent of restaurant employees in 2010. However, this growth was driven primarily by sources other than employment-based plans, even though the ACA required more restaurant businesses to offer health insurance coverage. In fact, only 59 percent of restaurant employees with health

insurance got their coverage through an employment based plan in 2015 – down sharply from 67 percent in 2010.

Additionally, health insurance costs rose much faster than restaurant sales in recent years. Between 2006 and 2016, the average annual employer contributions to health insurance premiums for family coverage jumped 51 percent, according to the Kaiser/HRET Survey of Employer-Sponsored Health Benefits. During the same 10-year period, average sales per restaurant rose just 33 percent. This indicates that health insurance costs are taking up a larger share of the restaurant dollar. Compliance issues, such as restructuring employee hours and the complicated employee reporting structures, increase the cost of employer-provided health insurance without adding value to the benefits or growing the business. Addressing these issues would help lower administrative costs and expand access so more employers could offer health insurance to employees.

Costly compliance issues, a shrinking risk pool, and higher healthcare costs have made the current structure of ACA untenable for restaurants. We need your help moving forward, so we can get to a place where we can address these critical issues facing all American employers including restaurants. We support passage of the American Health Care Act as a way to move us forward in reforming the employer mandate and encourage members of the committee to support this bill through Congress.

Sincerely,

A handwritten signature in black ink that reads "Cicely Simpson". The signature is fluid and cursive, with the first name "Cicely" being more prominent than the last name "Simpson".

Cicely Simpson
Executive Vice President, Policy & Government
Affairs National Restaurant Association